

~~SECRET~~CLARIFICATION OF THE NUCLEAR WARFARE CONCEPT
AS RELATED TO ECONOMIC DEFENSE POLICY

1. In drafting recommendations for a new U. S. economic defense policy pursuant to its assignment from the Council on Foreign Economic Policy, the ERAC Executive Committee, though still in the early stages of drafting, seems to have reached substantial agreement that a new approach to the control system is essential. For the most part, this approach seems to center around the recognition that trade controls should be designed to retard the growing capability of the Sino-Soviet pact to conduct nuclear warfare against the U. S. and other Free World countries, as opposed to current objectives of U. S. policy which simply seek "to reduce the Bloc's relative economic potential for war."

2. The Chairman of the ERAC Executive Committee has already indicated that questions may be put to the intelligence community in the very near future asking for a clarification as to precisely what this "nuclear warfare concept" might mean, particularly with respect to intelligence support. This seems to raise some of the following questions:

- a. What is the "nuclear warfare concept" as related to economic defense policy?
- b. What are the advantages of adopting this concept as opposed to maintaining the present approach? What is the intelligence justification for this concept?
- c. What are the disadvantages?
- d. What kinds of items would be controlled? What kinds of items would be taken off the control list? What would be the general outline structure of the list?

~~SECRET~~
~~BLUMLT~~

- a. Could the control list best be established and administered
on an item-by-item basis or on the basis of categories of items?
- b. What would be the role of ancillary controls, e.g.,
shipping and financial controls?
- c. What criteria would be employed in determining items to be
controlled? How does this compare with the present criteria?
- d. What components and interagency committees of the
intelligence community, the Department of Defense, and the ABC
would be expected to provide the information required to establish
the control lists? Relate the probable work assignments to the
principal categories of information required.
- e. What is our estimate as to the length of time required
to produce the intelligence necessary for preparation of control
lists? What part of this would be the primary responsibility of
CIA? How much time would be involved in this? To what extent
would this affect other CIA programs and priority assignments?